

BADIAK & WILL, LLP
Attorneys for Plaintiff
106 3rd Street
Mineola, New York 11501
(516) 877-2225
Our Ref. : 07-P-016-JK

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

X ECF CASE

HARTFORD FIRE INSURANCE COMPANY
a/s/o Multiax CNC, Inc.,

07 Civ. 11606 (MGC)

Plaintiff,

AFFIRMATION OF JAMES P.
KRAUZLIS

- against -

COMBI LINE INTERNATIONAL, S.P.A.,

Defendant.

X

JAMES P. KRAUZLIS, having been duly sworn, deposes and states the following upon the penalties of perjury:

1. I am a member admitted to the Bar of this Honorable Court and am a partner in the firms of Badiak & Will, LLP, attorneys for the Plaintiff, Hartford Fire Insurance Company ("Hartford").
2. I submit this Affirmation in support of Hartford's Motion for Partial Summary Judgment pursuant to F.R.C.P. 56 seeking an order holding the Defendant Combi Line International, S.p.A., committed a fundamental breach of the contract of carriage depriving the defendant of reliance upon the provisions of the contract of carriage, including any forum selection clause.
3. The basis for the statements made in this Affirmation are the documents in the undersigned's file which were provided by the plaintiff Hartford and based upon correspondence,

documents and discussions between the undersigned and both the shipper Multiax International S.p.A. and the consignee Multiax CNC, Inc.

4. Attached as "Exhibit 1" is a true and actual copy of both sides of a bill of lading issued by Defendant Combi covering the carriage of 11 packages making up a Multiax "T" series CNC Router from the port of loading, Genova, Italy, to New York, New York dated December 17, 2006.

5. The shipper on the bill of lading issued by defendant Combi was Multiax International, S.p.A., and the consignee was Multiax CNC, Inc., plaintiff's assured.

6. The bill of lading issued by Combi acknowledged the subject shipment, described as a Multiax CNC Router, was being carried in a 40 foot open-top container by the designation in the bill of lading of "1X40' OT" inserted under the "Marks and numbers" column.

7. There was no agreement by the shipper nor custom at the port of loading permitting the carriage of the subject shipment in an open-top container above the weather deck of the carrying vessel.

8. Despite the lack of any agreement by the shipper and the lack of any custom permitting carriage of the subject open-top container on deck of the carrying vessel, the defendant Combi, none the less, loaded, stowed and carried the subject container on deck during the subject trans-Atlantic voyage during the winter season.

9. Had the defendant Combi told the shipper Multiax International S.p.A. that the subject shipment was to be carried in an open-top container on deck during the course of the voyage from Italy to New York, the shipper would not have shipped the subject cargo with the defendant Combi

as the shipper knew that carriage on deck would expose it's cargo to potentially severe weather and seas which are usually encountered during a winter passage across the North Atlantic Ocean.

10. As a direct result of defendant Combi having carried the subject open-top container on deck during the winter voyage in question, upon arrival at New York the cargo was found to have been severely damaged when boarding seas and high winds ripped the tarpaulin covering the top of the container and sea water penetrated into the cargo, causing severe rust damage to the shipment.

11. The subject shipment was examined and an estimate of the cost to repair and provide replacement parts for the damage caused to the subject shipment was prepared which determined the total cost to repair the subject shipment was \$195,117.31.

12. Attached hereto as "Exhibit 2" is a true and actual copy of the Estimate to Replacement of Damaged Parts indicating the total cost to repair the subject shipment was \$195,117.31, referred to herein.

13. The subject shipment was insured by Multiax CNC, Inc., with Plaintiff, Hartford, under an all risk marine cargo policy, and Multiax CNC, Inc. presented a claim for the cargo damage to the subject shipment caused during the voyage in question to Hartford.

14. As a result of the claim presented by Multiax CNC, Inc., Hartford made a payment to its insured, Multiax CNC, Inc., in the amount of \$154,220.35, for the losses caused to the subject shipment by reason of the on deck carriage of the subject shipment during the voyage in question by defendant Combi.

15. In exchange for the payment by Hartford, Multiax CNC, Inc., executed a Subrogation Receipt in favor of Hartford on May 8, 2007.

16. Attached hereto as "Exhibit 3" is a true and actual copy of the Subrogation Receipt executed by Multiax CNC, Inc., and provided to Hartford, referred to herein.

17. On December 28, 2007, Plaintiff Hartford filed suit against Combi in connection with the damages caused to the subject shipment during the carriage in question.

18. On or about March 19, 2008, Defendant Combi filed an answer alleging, inter alia, that the bill of lading issued by Combi contains a contractual provision stating, in effect, any claims or dispute arising under the bill of lading shall be determined by Courts of Italy, and no other Courts.

Dated: Mineola, New York
September 9, 2008



JAMES P. KRAUZLIS (JK-4972)

TO: LENNON MURPHY & LENNON, LLC
Attorneys for the Defendant
COMBI LINE INTERNATIONAL
The GrayBar Building
420 Lexington Avenue, Suite 300
New York, New York 10170

Docket No.: 07 Civ. 11606 (MGC)

AFFIDAVIT OF SERVICE

I, Jackie Moore, being duly sworn, deposes and says:

I am not a party to the within action, am over 18 years of age and reside at c/o Badiak & Will, LLP, 106 Third Street, Mineola, New York, 11501-4404. On September 9, 2008, I served the within **NOTICE OF MOTION, AFFIRMATION OF JAMES P. KRAUZLIS, MEMORANDUM OF LAW IN SUPPORT OF HARTFORD FIRE INSURANCE COMPANY'S MOTION FOR SUMMARY JUDGMENT** on:

Leonard Murphy & Leonard, LLC
Attorney for Defendant
Combi Line International, S.p.A.
The GrayBar Building
420 Lexington Avenue
New York, New York 10170

by depositing a true copy thereof enclosed in a post-paid wrapper in an official depository under the exclusive care and custody of the U.S. Postal Service within New York State.

Jackie Moore
Jackie Moore

Sworn to before me this
9th day of September, 2008.

NOTARY PUBLIC
JAMES P. KRAUZLIS
Notary Public, State of New York
No. 02KR5051531
Qualified in Suffolk County
Commission Expires Nov. 6, 1/11/2010

Ref No.: 07-P-016-JK

EXHIBIT 1

BILL OF LADING (NOT NEGOTIABLE UNLESS CONSIGNDED " TO ORDER ")

Shipper

MULTIAIX INTERNATIONAL SPA
VIA SEGALUZZA, 25
33170 PORDENONE, ITALY

Reference

Consignee (if " To Order " so indicate)

MULTIAIX CNC INC
4245 44TH ST. SE SUITE 8
GRAND RAPIDS, MI 49512, USA

Notify party (No claims shall attach for failure to notify)

SAME AS CNEE

COMBI LINE
Global consolidation services

Sede legale e operativa : 20090 SEGRATE (MI) - Via Cassanese 224 (Milano Olire Palazzo Palladio)
Tel +39 02 2130971. Fax +39 02 26928442 - e-mail: info@combilline.it - p.iva 03973730987

Delivery of goods trough

PAN STAR EXPRESS (CHICAGO) CORPORAT
1134 TOWER LANE
BENSENVILLE
PH. FAX.

RECEIVED by the Carrier the Goods as specified below in apparent good order and condition unless otherwise stated, to be transported to such place as agreed, authorised or permitted herein and subject to all the terms and conditions appearing on the front and reverse of this Bill of Lading to which the Merchant agrees by accepting this Bill of Lading any local privileges and customs notwithstanding. The particulars given below as stated by the shipper. Weight contents and value of the goods are unknown to the Carrier.

In WITNESS whereof one (1) original Bill of Lading has been signed if not otherwise stated hereafter, the same being accomplished the other(s), if any, to the void, if required by the Carrier one (1) original Bill of Lading must be surrendered duly endorsed in exchange for the Goods or delivery order.

		Place of receipt				
Ocean vessel	Voy no.	Port of loading				
NORDSEA	649W	GENOVA				
Port of discharge	Place of delivery		Freight payable at	Numb.of origin. B/L's	B/L No.	
NEW YORK, U.S.A.	NEW YORK, U.S.A.		DESTINATION	0 / (NONE)	016112284-C	
Marks and numbers	No. of Pkgs or Shipping Units	Description of Goods (said to contain)			Gross weight of cargo in Kilos	
1X40'OT EXCU 042031/6 SEAL:135157	11 PKGS	SHIPPER'S STOW LOAD AND COUNT SAID TO CONTAIN MULTIAIX "T" SERIES CNC ROUTER, MODEL T 0115-3615 COMPLETE WITH STANDARD ACCESSORIES FREIGHT COLLECT EXPRESS BL, NO ORIGINAL REQUIRED			7.350,00	

C O P Y

* FREIGHT TO BE COLLECT
THC : COLLECT

Loaded into container(s)

Excess value declaration refer to clause 6 (4) (B) + (C) on reverse side

SEAL:

FREIGHT AND CHARGES	Freight Tons.	Rate (U.S. Dollars)	Per (CBM or ton)	
* Shipper is fully responsible for freight collect unpaid at destination *				
<u>DISBURSEMENT</u>				

* The contract evidenced by or contained in this Bill of Lading is governed by the law of Italy, and any claims or dispute arising hereunder or in connection herewith shall be determined by Courts of Italy and no other Courts *

Shipped on board the vessel
COMBI LINE INT'L SPA
Date 17/12/2006 Signed by AS CARRIER

Signed on behalf of the Carrier

COMBI LINE INT'L SPA
AS CARRIER

(terms continued on back hereof)

Place and date of issue

MILAN

17/12/2006

CONDITIONS

1. DEFINITIONS

Combi Line International S.p.A. Italy whose behalf the Lading has been signed.

Merchant includes the Shipper, Holder, Consignee, Receiver of the Goods, any person owing or entitled to the possession of the Goods or of this Bill of Lading and anyone acting on behalf of any such person.

"Holder" means any person for the time being in possession of this Bill of Lading to whom the property in the Goods has been passed on by reason of the consignment of the Goods or the endorsement of this Bill of Lading or otherwise.

"Goods" means the cargo accepted from the Shipper and includes any container not supplied by or on behalf of the Carrier.

"Container" includes any container, trailer, transportable tank, flat, or pallet or any similar article of transport used to consolidate goods.

"Carriage" means the whole of the operations and services undertaken by the Carrier in respect of the Goods.

"Combined Transport" arises when the Place of Acceptance and or the Place of Delivery are indicated on the face hereof.

"Port to Port Transport" arises where the Carriage called for by this Bill of Lading is Not Combined Transport.

"Freight" includes all charges payable to the Carrier in accordance with the applicable Tariff.

2. CARRIER'S TARIFF

The terms of the Carrier's applicable Tariff are incorporated herein. Copies of the relevant provisions of the applicable Tariff are obtainable from the Carrier or its agents upon request. In the case of inconsistency between this Bill of Lading and the applicable Tariff, this Bill of Lading shall prevail.

3. WARRANTY

The Merchant warrants that in agreeing to the terms hereof he is, or has the authority of, the person owning or entitled to the possession of the Goods and this Bill of Lading.

4. SUB-CONTRACTING AND INDEMNITY

(1) The Carrier shall be entitled to subcontract on any terms the whole or any part of the Carriage.

(2) The Merchant undertakes that no claim or allegation shall be made against any person whomsoever by whom the Carriage or any part of the Carriage is performed or undertaken (other than the Carrier) which imposes or attempts to impose upon any such person or any vessel owned by such person any liability whatsoever in connection with the Goods whether or not arising out of negligence on the part of such person and any such claim or allegation should nevertheless be made to indemnify the Carrier against all consequences thereof.

Without prejudice to the foregoing every such person shall have the benefit of all provisions herein benefiting the Carrier as if such provisions were expressly for his benefit, and in entering into this contract, the Carrier, to the extent of these provisions, does not only on his own behalf, but also as agent and trustee for such persons.

5. CARRIER'S RESPONSIBILITY

(a) Port to Port Shipment

Where the Carriage called for by this Bill of Lading is a Port to Port Shipment then:

(1) the liability (if any) of the Carrier for loss of or damage to the Goods occurring from and during loading onto any sea-going vessel up to and during discharge from that vessel or from another sea-going vessel into which the Goods shall have been transhipped shall be determined in accordance with any national law making the Hague Rules or the Hague Rules as amended by the Protocol signed at Brussels on 23rd February 1959 (Hague-Vienna Rules) compulsorily applicable to this Bill of Lading (including the UK Carriage of Goods by Sea Act 1924, the Australian Sea Carriage of Goods Act 1924 and the New Zealand Sea Carriage of Goods Act 1940) or there be such national law, in accordance with the Hague Rules contained in the International Convention or the provisions of certain rules relating to Bills of Lading dated 23rd August 1922. Any terms of this Bill of Lading (except (2) below) which apply to a sea-going vessel shall not apply to any vessel on which this Bill of Lading is inconsistent with or repugnant to the Hague Rules or the Hague-Vienna Rules as the case may be. It shall be to the extent of such inconsistency, or repugnance, and no further be null and void. Notwithstanding the above, the Carrier's liability, if any, shall be limited to loss of or damage to the Goods occurring from and during loading on to any sea-going vessel up to and during discharge from that vessel.

(2) for the purpose of determining the extent of the Carrier's liability for loss of or damage to the Goods, the sound value of the Goods is agreed to be the invoice value plus freight and insurance if paid (b) Combined Transport.

Where the Carriage called for by this Bill of Lading is Combined Transport, then, save as otherwise provided in this Bill of Lading, the Carrier shall be liable for loss or damage occurring during Carriage to the extent set out below.

(i) Where the stage of Carriage where loss or damage occurred is not known:

(a) Exclusions

Where the stage of Carriage where the loss or damage occurred is not known the Carrier shall be relieved of liability for any loss or damage unless such loss or damage was caused by:

(i) an act or omission of the Merchant.

(ii) Insufficiency of or defective condition of packaging or marking, (iii) bending, bending, stowage or unloading of the Goods by or on behalf of the Merchant.

(iv) inherent vice of the Goods.

(v) Strike, lock-out, stoppage or restraint of labour the consequences of which the Carrier could not avoid by the exercise of reasonable diligence.

(vi) a nuclear incident if the operator of a nuclear installation or a person acting for him is liable for its damage under an applicable international convention or national law governing liability in respect of nuclear energy.

(vii) any cause or event which the Carrier could not avoid and the consequence whereof could not be prevented by the exercise of reasonable diligence.

(viii) Bodily Injury.

The Carrier shall not be liable for the loss or damage which the Carrier estimates that in the circumstances of the case, the loss or damage could be attributed to one or more of the causes or events specified in paragraphs (i), (ii), (iii) or (iv) above, if it shall be presumed that it was so caused. The Merchant shall however, be entitled to prove that the loss or damage was not in fact caused either wholly or partly by one or more of these causes or events.

(c) Amount of Compensation

Compensation shall be calculated in accordance to the value of such Goods at the place and time when they are delivered to the Merchant or at the place and time when they should have been delivered.

(d) The Value of the Goods shall be determined according to the current commodity exchange price or if there is no such price according to the current marked price, or if there is no commodity exchange price or current marked price, by reference to the normal value of goods of the same kind and quality.

(e) Except as provided in sub-clause (C) below, compensation shall in no circumstances whatsoever and howsoever arising exceed US\$2.50 per kilo of the gross weight of the goods less commodity.

(2) Where the stage of Carriage where loss or damage occurred is known:

Notwithstanding anything provided for in sub-clause (D) (1) above and subject to Clause 14 (Deck Cargo and Livestock), where it is known

during which stage of Carriage the loss or damage occurred the liability of the Carrier in respect of such loss or damage shall be determined (a) by the provisions contained in any International convention or national law, which provisions:

(i) cannot be departed from by private contract to the detriment of the Merchant, and

(ii) would have applied if the Merchant had made a separate and direct contract with the Carrier in respect of the particular stage of Carriage where the loss or damage occurred and received as evidence thereof any particular documents which must be issued in order to make such International convention or national law applicable;

Provided that an International convention or national law will determine the Carrier's liability as aforesaid only if it would have been applicable if the contract referred to in (a) above were governed.

(A) where the loss or damage occurred between the time that the Goods were received by the Carrier for Carriage and the time that the Goods were loaded at the port of loading by the internal law of the state of the place of receipt or

(B) where the loss or damage occurred during carriage by sea, by the internal law of the state of the final port of discharge or

(C) where the loss or damage occurred between the time that the Goods were discharged at the final port of discharge and the time that the Goods were delivered to the Merchant, by the internal law of the state of the place of delivery or

(D) where no International convention or national law would apply by virtue of (a) above, by the Hague Rules contained in the International Convention or the definition of certain rules relating to Bills of Lading dated 25th August 1924. If the loss or damage is known to have occurred at sea or on inland waterways, or

(e) by the provisions of sub-clause (B) (1) in cases where the provisions of paragraphs (a) and (b) above do not apply.

Where under the provisions of this sub-clause (D) (2) the liability of the Carrier shall be determined by the provisions of any International convention or national law, this liability shall be determined as though the Carrier were the carrier referred to in any such convention or national law.

References in this sub-clause (D) (2) to the internal law of a state shall be deemed to exclude the internal law of any part of private International law applied by that state.

For the purposes of this sub-clause (D) (2) references in the Hague Rules to carriage by sea shall be deemed to include references to carriage by inland waterways and the Hague Rules shall be continued accordingly.

(c) Special Provisions for Combined Transport

(d) Absence of loss or damage

The Carrier shall be deemed prima facie to have delivered the Goods as described on this Bill of Lading unless notice of loss or damage to the Goods is given to the Carrier within a reasonable time of such loss or damage, shall have been given in writing to the Carrier or to his representatives at the place of delivery before or at the time of removal of the Goods into the custody of the person entitled to delivery thereof and this Bill of lading or the loss or damage is not apparent within seven consecutive days thereafter.

(e) Time-bar

Subject of any provision of this Clause 5 to the contrary the Carrier shall be discharged of all liability under this Bill of Lading unless it is brought and notice given to the Carrier within nine months after delivery of the Goods or the date when the Goods should have been delivered.

(f) Exclusion or Limitation

The Carrier shall not be entitled to the benefit of the limitation of liability provided for in (B) (1) (a) above if it is proved that the loss or damage resulted from an act or omission of the Carrier with intent to cause damage or recklessly and with knowledge that damage would probably result.

(C) General (applicable to both Port to Port Shipment and Combined Transport)

(1) Delay

The Carrier does not undertake that the Goods shall arrive at the port of discharge or place of delivery of any particular time or to meet any particular market or use and save as provided in sub-clause (D) (2) above the Carrier shall in no circumstances be liable for direct or indirect or consequential loss or damage caused by delay.

Where under the provisions of (D) (2) above the Carrier is liable for delay, liability shall be limited to the element of the freight applicable to the relevant stage of transport provided this is not contrary to the International convention or national law concerned.

(2) Supply of Containers

The terms of this Bill of Lading govern the responsibility of the Carrier in connection with or arising out of the supply of a Container to the Merchant, whether supplied before or after the Goods are received by the Carrier for Carriage or delivered to the Merchant.

(3) Ad Valorem

Higher compensation may be claimed only when, with the consent of the Carrier, the value of the Goods declared by the Shipper, which exceeds the limits laid down in this Clause, has been stated in this Bill of Lading and extra freight paid if required. In that case the amount of the declared value shall be substituted for those limits. Any partial loss or damage shall be adjusted pro rata on the basis of such declared value.

(4) Hague Rules Limitation

Subject (3) above, wherever Hague Rules are applicable, otherwise than by national law, in determining the liability of the Carrier, the liability shall in no event exceed 1000 sterling per package or unit.

(5) Scope of Application

Subject as otherwise provided herein, the Carrier shall in no circumstances whatsoever or howsoever arising be liable for direct or indirect or consequential loss or damage. The defences and limits of liability provided for in this Bill of Lading shall apply in any action against the Carrier for loss or damage or delay whether the action be founded in Contract or in Tort.

6. SHIPPER-PACKED CONTAINERS

If a Container has not been stowed by or on behalf of the Carrier the Carrier shall not be liable for loss of or damage to the Goods caused by:

(i) the manner in which the Container has been stowed; or

(ii) the unsuitability or defective condition of the Container provided that the Container has been provided by or on behalf of the Carrier.

The Carrier (a) shall only apply in the unsuitability or defective condition arising without any want of due diligence on the part of the Carrier or will have been apparent to the Carrier at the time when the Container was stowed; or

(b) the Merchant shall indemnify the Carrier against any loss, damage, liability or expense whatsoever and howsoever arising caused by one or more of the matters referred to in paragraph (i) (a), (ii) above, save that where the loss, damage, liability or expense was caused by the Carrier's negligence, the Carrier shall not be liable to indemnify the Carrier in respect thereof unless both the previous reference to paragraph (i) (a) and (ii) above apply.

(c) the Merchant shall not be liable to indemnify the Carrier in respect of the loss, damage, liability or expense arising from the Carrier's negligence in respect of the Container.

(d) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(e) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(f) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(g) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(h) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(i) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(j) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(k) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(l) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(m) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(n) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(o) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(p) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(q) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(r) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(s) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(t) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(u) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(v) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(w) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(x) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(y) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(z) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(aa) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(bb) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(cc) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(dd) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(ee) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(ff) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(gg) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(hh) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(ii) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(jj) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(kk) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(ll) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(mm) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(nn) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(oo) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(pp) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(qq) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(rr) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(ss) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(tt) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(uu) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(vv) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(ww) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(xx) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(yy) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(zz) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(aa) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(bb) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(cc) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(dd) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(ee) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(ff) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(gg) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(hh) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(ii) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(jj) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(kk) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(ll) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(mm) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(nn) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(oo) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(pp) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(qq) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(rr) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(ss) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(tt) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(uu) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(vv) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(ww) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(xx) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(yy) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(zz) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(aa) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(bb) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(cc) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(dd) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(ee) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(ff) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(gg) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(hh) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(ii) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(jj) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(kk) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

(ll) the Carrier shall not be liable to indemnify the Merchant in respect of the loss, damage, liability or expense arising from the Merchant's negligence in respect of the Container.

</div

EXHIBIT 2

FORMED SOLUTIONS
ESTIMATE OF REPLACEMENT OF DAMAGED PARTS

Quantity	Multiax Code	Description	USD
1	006001012600	Guide size = 35 4480mm Length	1,534.63
11	203025000100	Right Helicoidal Rack 19Deg. 31"42" M3	4,232.73
1	006001012700	Guide size = 35 4200mm Length	1,449.30
6	006002004600	KWVE35 S G3V1 Guide Block FA551 FA513.3 OTE	1,135.02
6	006002004700	KWVE35 SL G3V1 Guide Block FA551 FA513.3 OTE	991.22
2	006001012800	Guide Size = 35 2480mm Length	1,390.39
4	203049001900	Pinion SX 19Deg 31"42" M3 Z 21 Dia. 28	1,872.00
2	001008013900	Multiple Switch FMV-3R-12-100	418.90
2	203046021900	Plate 95mm Length 70mm Width H=3mm	72.81
2	006001012900	Guide Size = 35 1900mm Length	1,048.94
1	203025000300	Right Helicoidal Rack 19Deg. 31"42" M3	208.01
1	260051000800	Head Assembly C Axis	17,309.29
1	260051001000	head Assembly A Axis	20,192.02
1	203053007400	Left Safety Fence L=955mm W=35mm H=2060	815.88
1	203088000200	External Door Length=930 Width=35	1,519.23
1	203088000100	External Door Length=910 Width=35	1,519.23
2	004005016000	Electrovalve 5/2 1/8" 24DC Bis. Serie 243	349.32
3	004005016100	Base Module Flat 18mm	55.22
1	004005016300	Terminal SX per Base Flat	17.78
1	004005015800	Electrovalve 5/2 1/8" 24DC Bis. Serie 243	124.08
2	004005016200	Terminal DX per Base Flat	35.69
2	004006000100	Protection Cap	8.31
1	004005014900	Valve 3/2 Pneumatic command Micro 22 mm	137.96
2	004005017400	Electrovalve 3/2 Da 24 Micro 22 mm	124.18
2	001008013600	Multiple Switch FMV-1R-100	141.53
2	004005004700	Connector MPM LED Bipolar 24 V	41.07
5	004005003900	Connection L=3000 LED Red	76.15
1	203012001700	CAMME	167.45
1	011000002400	spindle cooler unit	5,953.99
		All The Cable For The Z Axis Column	-
1	***	POWER CABLE AB AXIS	509.50
1	***	OVERTRAVEL CABLE C AXIS	349.81
1	***	ENCODER CABLE AB AXIS	367.48
1	***	POWER SPINDLE CABLE	444.70
1	***	SPINDLE SIGNAL CABLE AB OVERTRAVEL	397.12
1	GRE-MS116-0	Overload ABB 6.3/10.0A	154.00
1	97943150D	OSAI Drive	1,958.44
3	001008018600	Contact for Microswitch X3	72.66
		TOTAL PARTS	67,216.02

SUMMARY

All Parts to be Replaced

Additional Freight Costs for parts replacement

Duty on replacement parts

	EURO	USD
(8 hours days each) One Italian Technician x 10 bus. days to assist with repairs	\$ 67,216.02	5,408.00
One Italian Technician x 2 weekend days	5,000.00	665.60
(24 hr each way) Italian Technician Travel hours round trip	2,113.50	3,244.80
Per diam \$100/day + airfare Travel Expenses for Italian (incl airfare)		6,800.00
		20,800.00
Two US Technician x 10 bus. Days		6,240.00
Two US Technician x 2 weekend days		2,800.00
Per diam \$100/day Travel Expenses x two US Technician		
Initial installation and cleaning for US Technician	45 hours@130	5,850.00
Travel time for initial installation	16.25 hrs@50	812.50
Expenses already incurred for Install		666.89
		67,500.00
Depreciation at 30% of sell price requested by customer		
		\$ 195,117.31

EXHIBIT 3



SUBROGATION RECEIPT

RE: Our Insured: Multiax CNC, Inc.
Claim Number: YKA K OM 35129

5/8/2007

THE
HARTFORD

Received from HARTFORD FIRE INSURANCE CO. the sum of \$154,220.35 in full settlement of our claim under Policy No. 13 CTP CV3558 issued by the said Insurance Company, for damage to and loss of the property described below, shipped to Grand Rapids, MI, under Bill of Lading COSU98999400 on or about December 17, 2006.

MAY 14 2007

In consideration of this payment, we hereby guarantee that we are the persons entitled to enforce the terms of the contracts of transportation set forth in the bill(s) of lading covering the said property; and we agree that the said Insurance Company is subrogated to all of our rights of recovery on account of any and all such loss or damage from the carriers and from any other persons or corporations (including municipal or sovereign corporations) or vessels that may be liable therefore; and we agree to assist the said Insurance Company in effecting such recovery; and we hereby authorize the said Insurance Company to file claims and begin suit against any such carrier, vessel, person, corporation or government in our names; and we hereby appoint the officers and agents of said Insurance Company and their successors, severally, our agents and attorneys-in-fact, with irrevocable power to collect any and all such claims and to begin, prosecute, comprise or withdraw, either in our name or in the name of said Insurance Company, but at the expense of said Insurance Company, any and all legal proceedings which they may deem necessary to enforce such claim or claims, including proceeding before any international tribunal, and to execute in our names any documents which may be necessary to carry into effect the purpose of this agreement. We further agree to execute any documents which may be necessary to enable the said Insurance Company to proceed in accordance herewith, including any all pleadings and releases which said Insurance Company may request us to execute; and we agree that any moneys collected from any such carrier, vessel, person or corporation, whether received in the first instance by the undersigned or by the said Insurance Company, shall be the property of the said Insurance Company.

The payment received for herein is accepted with the understanding that said payment shall not inure to the benefit of any carrier under the provisions of any contract of carriage or otherwise; that in making the payment the said Insurance Company does not waive any rights by subrogation or otherwise against any carrier or bailee; and that the acceptance of this receipt shall not prejudice or take away any rights or remedies which the said Insurance Company would otherwise have by virtue of such payment.

Date 5/8/2007

Authorized Signature

DESCRIPTION OF PROPERTY ABOVE REFERRED TO: Machine

Please sign, date and return to:

Attn: Toni Mazza
Transportation Claims Unit
THE HARTFORD
P.O. BOX 3122
NAPERVILLE IL 60566 (USA)

Transportation Claims Unit
P.O. Box 3122
Naperville, IL 60566-7122
Telephone 630 692 8000
Toll Free 800 585 0722
Facsimile 800 585 6408